



OCT – 4 2002

Mr. Robert T. Maruca
Director, Medical Assistance Division
New Mexico Human Services Department
P.O. Box 2348
Santa Fe, NM 87504-2348

Dear Mr. Maruca:

I am responding to your request to amend New Mexico's section 1115 demonstration project No.11-W-00124/6, entitled "New Mexico Demonstration." I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving New Mexico's request to implement a crowd-out provision for a Medicaid expansion population in the New Mexico State Children's Health Insurance Program (SCHIP). Under this amendment, New Mexico will require a 6-month period of uninsurance for applicants that have employer-sponsored or private health insurance and who have voluntarily terminated this coverage within 6 months of application.

Approval of this project is under the authority of section 1115 of the Social Security Act (the Act) and is subject to our receiving your written acceptance of this award within 30 days of the date of this letter. The special terms and conditions associated with your current demonstration award remain in effect as amended by the enclosure. The following revised waivers (adding waivers 5, 6, and 7) and matching authority are approved through December 31, 2004.

Costs Not Otherwise Matchable Authority

Under the authority of section 1115(a)(2) of the Act, the following expenditures that would not otherwise be regarded as expenditures under title XIX will be regarded as expenditures under the State's title XIX plan:

Expenditures to provide Medicaid coverage, in accordance with all Medicaid requirements except as provided below, to children through age 18 with family incomes from 186 percent through 235 percent of the Federal poverty level.

The following waivers, granted on May 13, 1997, under the authority of section 1915(b), will apply to the expansion population under this demonstration to the same extent as they apply to the existing Medicaid population.

- Additional Demonstration Exceptions:*

1.	Copayments	Section 1916(a)(2)(A) Section 1916(a)(3)
	To enable the State to impose copayments which are not nominal on the demonstration population. Copayments do not apply to Native American Children.	
2.	Retroactive Eligibility	Section 1902(a)(34)
	To enable the State to not provide retroactive eligibility for individuals in the demonstration population who had voluntarily terminated private health insurance coverage within the prior 6 months of applying for the State's SCHIP.	

3. Providing Medical Assistance Section 1902(a)(10)

To enable the State to extend eligibility for medical assistance to a category of individuals who would not otherwise be considered a reasonable category by extending eligibility to the demonstration population, except for individuals who voluntarily terminated private health insurance coverage within the prior 6 months of applying for the State's SCHIP.

4. Reasonable Promptness Section 1902(c)(8)

To enable the State to not furnish medical assistance with reasonable promptness, to the extent that the State excludes individuals from eligibility who voluntarily terminated private health insurance coverage within the prior 6 months of applying for the State's SCHIP.

Your project officer is Mr. Maurice Gagnon and is available to answer any question concerning implementation of this amendment. Mr. Gagnon's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

Telephone: (410) 786-0619
Facsimile: (410) 786-3517
E-mail: mgagnon@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Mr. Gagnon and Mr. Calvin Cline, Associate Regional Administrator for CMS Region VI, Division of Medicaid and State Operations. Mr. Cline's E-mail address is ccline@cms.hhs.gov. His mailing address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and State Operations
1301 Young Street, Room 714
Dallas, TX 75202

If you have additional questions, please contact Mr. Richard Chambers, Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations at (410) 786-5647.

We look forward to continuing to work with you and your staff during the course of the project.

Sincerely,

/s/
Thomas A. Scully

Enclosure

cc: CMS Regional Office, Dallas